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Director of
Central
Intelligence

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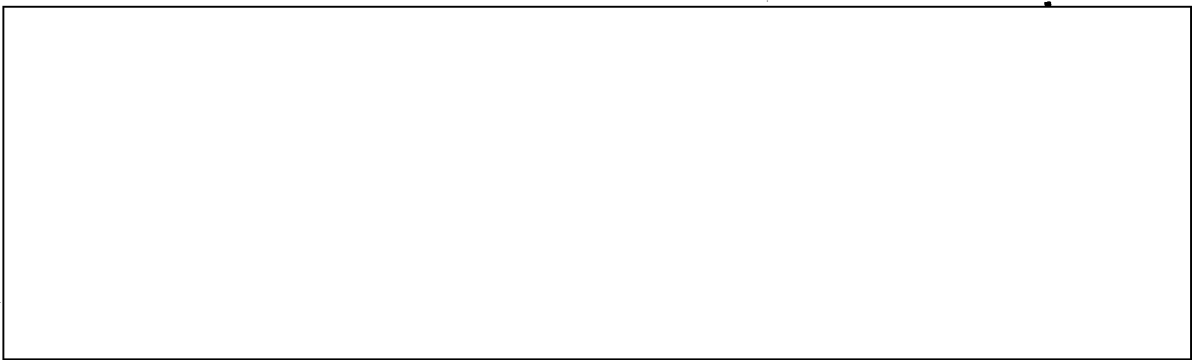
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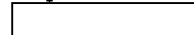
Briefs and Comments



Portugal-Iraq: *Uranium Sale* 6



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PORTUGAL-IRAQ: Uranium Sale

Portugal reportedly has agreed to sell Iraq 120 tons of uranium ore concentrate under international safeguards in return for an increase of 1 million tons in Lisbon's oil allotment. The deal is the latest in a series of cases in which Iraq has used oil leverage to secure nuclear assistance or supplies; Portugal already receives 40 percent of its oil from Iraq.

Iraq's purpose in acquiring uranium is unclear. It cannot be used directly in Baghdad's only operating nuclear reactor, nor can it be used without enrichment in any reactor that Iraq currently plans to construct. Iraq may be acquiring uranium against the eventuality of tighter supplier controls, especially since a number of nuclear suppliers are becoming suspicious of Baghdad's long-term intentions. The Iraqis also may intend to use some of it for training purposes in the sophisticated fuel fabrication facility that Italy is building for them.

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